

FISCAL NOTE

SB 605 - HB 1441

March 29, 2004

SUMMARY OF BILL: Revises medical malpractice damage provisions to allow a decreased award when losses are indemnified by social security or private insurance. Damages for noneconomic losses would be limited to \$250,000. Damages can be paid in whole or in part by periodic payments rather than by a lump-sum payment if the award exceeds \$50,000. Periodic payments for future damages would only be subject to modification in the event of the death of the victim. Sets limitations on the amount of attorney's fees that may be awarded in medical malpractice cases. Requires notice in any contract for medical services that contains a provision for binding arbitration of any dispute arising from alleged medical malpractice.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - If malpractice insurance premium rates are reduced, the TennCare program and the state health insurance plan could experience more moderate cost increases in the long term. If malpractice awards were decreased, some persons in need of medical care could become eligible for TennCare.

Estimate assumes:

- The impact of medical malpractice award changes cannot be determined. Such changes may moderate the growth of malpractice insurance premium rates and savings to TennCare would depend upon the amount of savings passed on by providers.
- If awards were reduced, some persons with significant health care costs could spend down their income and become eligible for TennCare sooner than would otherwise occur.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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